



The following is a Company Announcement issued by MaltaPost p.l.c pursuant to the Malta Financial Services Authority Listing Rules.

***Interim Directors' Statement***

*QUOTE*

MaltaPost p.l.c. announces that during the period commencing 1 April 2013 up to the date of this Announcement, no material events and/or transactions have taken place that would have an impact on the financial performance of the Company, such that would require specific mention, disclosure or announcement pursuant to the applicable Listing Rules.

Growth in turnover during the period was partly offset by decreases in revenue from cross border mail brought about by a change in the Universal Postal Union (UPU) fee structure.

Operating expenses increased mainly as a result of a higher labour cost and direct operational charges while other overheads have been contained.

The Company remains sensitive to the provision of the Universal Service, which requires a high fixed-cost network. In spite of an increase in tariffs, the letter mail activity still operates at a loss and remains a challenging one. So as to maintain the Universal Service, MaltaPost needs to earn a reasonable commercial rate of return and in this regard shall continue to work closely with the regulatory authority to achieve the changes needed for the sustainability of the Universal Service.

Notwithstanding challenging market conditions the parcel business maintains steady growth. The way forward for MaltaPost lies in keeping the customer in focus by upgrading existing products and services plus developing new ones.

The Board expects that by excluding one-off gains registered in the previous period last year, the Company's performance in the current year would not vary significantly. Consequently MaltaPost needs to leverage its assets to ensure that its network can accommodate the provision of ancillary lines of business, not least financial services, document management and hybrid mail. We consider this to be the most effective response to counter the impact of declining traffic volumes in the traditional postal market.

*UNQUOTE*

A handwritten signature in black ink, appearing to read "G.A. Fairclough", with several horizontal lines drawn through it for emphasis.

G.A. Fairclough  
Company Secretary

14 August 2013